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## ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1 KROTZ SPRINGS, LOUISIANA ANNUAL FINANCIAL STATEMENTS DECEMBER 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11 28 07

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### VIGE, TUJAGUE 🧠 NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2₩ STREET P. O. BOX 1006 EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A. FRANK G. TUJAGUE, C.P.A. DOMINIQUE M. NOEL, C.P.A. TELEPHONE: 337-457-9324 FAX: 337-457-8743

### INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners St. Landry Parish Fire Protection District No. 1 Krotz Springs, Louisiana

We have audited the accompanying financial statements of the governmental activities of the St. Landry Parish Fire Protection District No. 1, Krotz Springs, Louisiana, as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the St. Landry Parish Fire Protection District No. 1 as of December 31, 2006, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2007, on our consideration of the St. Landry Parish Fire Protection District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

To the Board of Commissioners St. Landry Parish Fire Protection District No. 1

The St. Landry Parish Fire Protection District No. 1 has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. Landry Parish Fire Protection District No. 1's basic financial statements. The other supplementary information on pages 18-23 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the St. Landry Parish Fire Protection District No. 1. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vige Tujague & Noël, CPA's

September 25, 2007

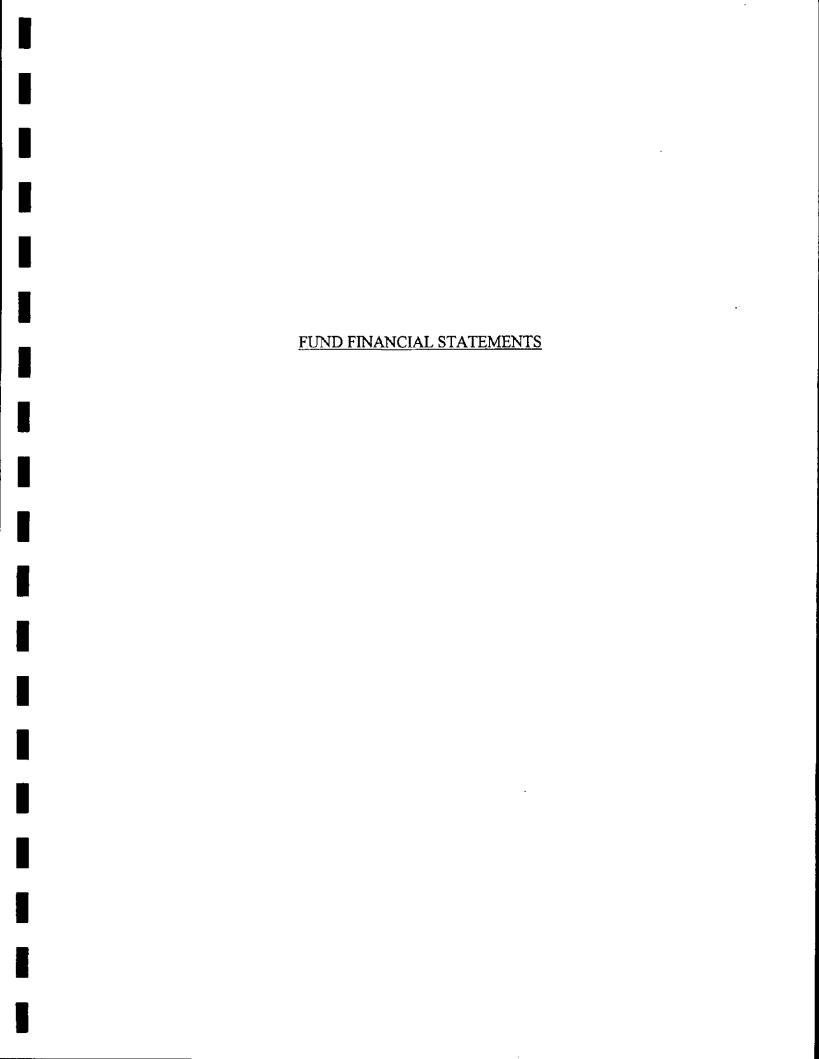
### GOVERNMENT-WIDE FINANCIAL STATEMENTS

## ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1 KROTZ SPRINGS, LOUISIANA STATEMENT OF NET ASSETS DECEMBER 31, 2006

	Governmental <u>Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents Investments Property tax receivable Revenue sharing receivable Capital assets (net)  Total assets	\$ 18,814 279,568 624,561 7,180 1,099,174 2,029,297
LIABILITIES	
Accounts payable Interest payable Long-term liabilities Due within one year  Total liabilities	10,441 603 <u>30,664</u> 41,708
NET ASSETS	
Invested in capital assets, net of related debt Restricted for emergencies Unrestricted	1,099,174 279,568 <u>608,847</u>
Total net assets	\$ <u>1,987,589</u>

### ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1 KROTZ SPRINGS, LOUISIANA STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2006

		D	D	Net (Expenses) Revenues
			n Revenues	and Change in Net Assets
	<b></b>	Charges for	Capital and	Governmental
	Expenses	Services	Operating Grant	<u>Activities</u>
Governmental Activities				
Public safety				
General government	\$564,930	\$ 1,800	\$ 1,800	\$(561,330)
Interest on long-term debt	2,238	<del>-</del>		(2,238)
Total governmental				
activities	\$ <u>567,168</u>	\$ <u>1,800</u>	\$ <u>1,800</u>	<u>(563,568)</u>
	G	eneral revenue	es:	
		Property taxe		626,400
			of fixed assets	1,176
		Revenue shar	ring	10,772
		Fire insurance	_	6,988
		State supplen	nental pay	21,600
		Pension subs		20,000
		Interest earni	•	17,177
		Dividend from	m LWCC	2,660
		Total gen	eral revenues	706,773
		Change in ne	t assets	143,205
		Net assets, be	eginning of year	1,844,384
		Net assets, en	nd of year	\$ <u>1,987,589</u>



# ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1 KROTZ SPRINGS, LOUISIANA BALANCE SHEET GOVERNMENTAL FUND DECEMBER 31, 2006

	General Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 18,814
Investments	279,568
Property taxes receivable, net	624,561
Revenue sharing receivable	7,180
Total assets	\$ <u>930,123</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 3,979
Payroll taxes withheld	4,141
Retirement withheld	790
Retirement payable	<u>1,531</u>
Total liabilities	_10,441
Fund balance	
Reserved for	
emergencies	279,568
Unreserved	<u>640,114</u>
Total fund balance	919,682
Total liabilities and fund balance	\$ <u>930,123</u>

### ST. LANDRY PARISH FIRE PROTECTION

### DISTRICT NO. 1

### KROTZ SPRINGS, LOUISIANA

### RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET ASSETS DECEMBER 31, 2006

Total fund balance for the governmental fund at December 31, 2006		\$ 919,682
Cost of capital assets at December 31, 2006	\$1,643,795	
Less: Accumulated depreciation as of December 31, 2006	(544,621)	1,099,174
Long-term liabilities at December 31, 2006 Notes payable Accrued interest on long-term liabilities		(30,664) (603)
Net assets at December 31, 2006		\$ <u>1,987,589</u>

### ST. LANDRY PARISH FIRE PROTECTION

### **DISTRICT NO. 1**

### KROTZ SPRINGS, LOUISIANA

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

### IN FUND BALANCE GOVERNMENTAL FUND

### FOR THE YEAR ENDED DECEMBER 31, 2006

<u>REVENUES</u>	General Fund
Taxes	
Ad valorem	\$626,400
Intergovernmental revenues	•
State grants	1,800
State revenue sharing	10,772
Fire insurance tax	6,988
State supplemental pay	21,600
Pension subsidy	20,000
Interest earnings	17,177
Rental income	1,800
Dividend from LWCC	2,660
Gain on sale of equipment	<u>2,751</u>
Total revenues	<u>711,948</u>
EXPENDITURES	
Current – public safety	
Salaries and benefits	369,598
Equipment costs	44,019
Occupancy costs	24,635
Insurances	25,875
Office and administration	28,054
Rescue runs, standby and volunteer	16,849
Policy project	2,500
Capital outlay	37,466
Debt service	
Principal	29,288
Interest	2,815
Total expenditures	<u>581,099</u>
EXCESS OF REVENUES OVER EXPENDITURES	130,849
Fund balance, beginning of year	<u>788,833</u>
Fund balance, end of year	\$ <u>919,682</u>

The accompanying notes are an integral part of the basic financial statements.

### ST. LANDRY PARISH FIRE PROTECTION

### DISTRICT NO. 1

### KROTZ SPRINGS, LOUISIANA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANCES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2006

Total net change in fund balance for the year ended December 31, 2006 per Statement of Revenues, Expenditures, and Changes in Fund Balance		\$130,849
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$37,466	
Depreciation expense for year ended December 31, 2006	( <u>53,400</u> )	(15,934)
Bond principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance		29,288
Difference in interest expense between modified accrual basis and accrual basis		577
Book value of equipment sold		_(1,575)
Total change in net assets for the year ended December 31, 2006 per Statement of Activities		\$ <u>143,205</u>

### INTRODUCTION

The entity being reported on is the St. Landry Parish Fire Protection District No. 1, which is a component unit of the St. Landry Parish Government. The financial report includes all funds over which the District exercises oversight responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The District was created by the St. Landry Parish Police Jury as authorized by Louisiana Revised Statute 40:1496. The District is governed by a Board of Commissioners, which consists of five commissioners. Two commissioners are appointed by the parish governing authority, two by the governing body of the municipal corporation in the District, and the fifth is selected by the other four members and serves as chairman.

The District was established for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control to the property within the District.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Government-wide and Fund Financial Statements

The government financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the St. Landry Parish Fire Protection District No. 1. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The St. Landry Parish Fire Protection District No. 1 reports the following governmental fund:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

### Allocation of indirect expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to these functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### C. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the St. Landry Parish Fire Protection District No. 1's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. Investments are reported at fair value.

### D. Receivables and Payables

The District's property tax is levied each November 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on November 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The millage assessed by the District in 2006 was 21.95 mills.

Uncollectable amounts due for property tax receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable. The District has had no need to establish such an account.

There were no interfund receivables/payables at December 31, 2006.

### E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The St. Landry Parish Fire Protection District No. 1 capitalizes all capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

### E. Capital Assets - Continued

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	Estimated Lives
Land improvements	20 years
Buildings and building improvements	15-60 years
Furniture and fixtures	5-10 years
Equipment and fire trucks	5-60 years

Interest costs incurred on fixed assets, if any, are not capitalized.

### F. Compensated Absences/Pension Plan

The District participates in the Firefighters' Retirement System, a cost sharing multiple-employer defined benefit pension plan. Any full-time firefighter of the District is covered under the plan.

Pension benefits – Employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have obtained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees that terminate prior to rendering 12 years of service forfeit the portion of accumulated benefits attributable to the District's contributions. Benefits are established under the authority of Louisiana statutes. The actual plan document should be consulted for more specifics as well as information regarding forfeitures, death benefits, and disability benefits.

The District's covered payroll for the current fiscal year was \$106,987. The amount of state supplemental pay on which retirement was paid amounted to \$10,800. Actuarially determined required contributions of the District were \$19,687.41 (18% of covered payroll from January through June and 15.5% for the remainder of the year). Employee contributions were \$9,422.94 (8% of covered payroll). Contributions are established by Louisiana statute and 100% of required contributions were made for the current and preceding two years.

Historical trend information which provides information about progress made in accumulating sufficient assets to pay benefits is available in separately issued reports of the Firefighters' Retirement System.

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

### G. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### H. Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets All other net assets that do not meet the definition of "restricted: or "invested in capital assets, net of related debt."
- d. In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. The District's policy is to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

### J. Change in Fiscal Year

The District changed its fiscal year from a June fiscal year-end to a December year-end. This was approved by the Board in 2007.

### 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### **Budget Information**

The District adopts an annual budget for the General Fund. The annual budget is prepared on the GAAP basis of accounting. The Board adopts its budget prior to the beginning of the fiscal year. Any revisions that alter total revenues or expenditures must be approved by the Board. Prior to year-end, the Board adopts an amended budget approving such additional revenues or expenditures. Any budgetary appropriations lapse at the end of each fiscal year.

The District adopted a budget for the 12 month periods ending June 30, 2006 and June 30, 2007. Once the District changed its fiscal year-end, a budget for calendar year 2007 was adopted. A budget for calendar year 2006 was not adopted because the year was completed by the time the fiscal year was changed. Therefore there is no budget comparison in these financial statements.

The St. Landry Parish Fire Protection District No. 1 did not have actual expenditures over budgeted appropriations for the year ended December 31, 2006.

The Fire District did not have a deficit fund balance at December 31, 2006.

### 3. CASH AND INVESTMENTS

At December 31, 2006, the Fire District has cash, interest-bearing deposits, and investments as follows:

	Book	Bank
	<u>Balance</u>	<b>Balance</b>
Demand deposits		
(noninterest-bearing)	\$ 13,783	\$ 24,683
Interest-bearing deposits	5,031	5,031
Time deposits	<u>279,568</u>	<u>279,568</u>
		<b>4</b>
	\$ <u>298,382</u>	\$ <u>309,282</u>

The bank balance is secured by \$221,359 of federal deposit insurance and by \$87,923 of securities pledged by the banks as collateral for the balance.

### 4. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2006 are as follows:

		January 1, 2006	Add	<u>itions</u>	<u>Dele</u>	tions	De	cember 31, 2006
Capital assets not being depreciated								
Land	\$	49,000	\$	-	\$	-	\$	49,000
Other capital assets								
Land improvements		2,313		-		-		2,313
Buildings		478,879	25,	449	(2,	100)		502,228
Equipment	1	,061,126	9,	647		_	1,	,070,773
Furniture and fixtures		17,111		-		-		17,111
Buildings, land and improvements	_	<u>-</u>	_2,	<u> 370</u>				2,370
	<u>1</u>	,608,429	<u>37,</u>	<u>466</u>	(2,	100)	1.	643,795

### 4. CAPITAL ASSETS - Continued

	January 1, 	Additions	<u>Deletions</u>	December 31, 2006
Less accumulated depreciation				,
Land improvements	\$ 394	\$ 116	\$ -	<b>\$</b> 510
Buildings	101,579	13,063	(525)	114,117
Equipment	378,983	38,917	-	417,900
Furniture and fixtures	10,790	1,212	-	12,002
Buildings, land and improvements	491,746	92 53,400	<u>(525</u> )	<u>92</u> 544,621
Net capital assets	\$ <u>1,116,683</u>	\$( <u>15,934</u> )	\$( <u>1,575</u> )	\$ <u>1,099,174</u>

### 5. ON-BEHALF PAYMENTS OF SALARIES AND FRINGE BENEFITS

The State of Louisiana paid the District's firefighters supplemental pay of \$21,600 and contributed \$21,600 to the Firefighter's Retirement System on behalf of District employees. These amounts are included in the accompanying financial statements as revenues and expenditures.

### 6. COMPENSATION OF BOARD MEMBERS

Members of the District's Board of Commissioners receive a per diem of \$80 per meeting attended. Total Board per diem paid for the year ended December 31, 2006 is as follows:

Charles Melancon	\$1,760
Randy David	400
Andre Lanclos	1,760
Jimmy Hutto, Sr.	1,600
Peter Coulon	2,000
Jeff Morrow	<u>1,920</u>
	\$9,440

### 7. RISK MANAGEMENT

The District is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year. Settlements have not exceeded insurance coverage during the current fiscal year and the two proceeding fiscal years. Insurance coverage appears adequate for the fiscal year ended December 31, 2006.

### 8. NOTES PAYABLE

The District is indebted to Baystone Financial Group for \$140,710, for a fire truck. The note was to be paid in five annual payments of \$32,103, including interest at 4.695%, beginning August, 2003. The note is secured by the fire truck. Payments of principal and interest until maturity are as follows:

	<u>Total</u>	<u>Interest</u>	<b>Principal</b>
2007	\$ <u>32,103</u>	\$ <u>1,439</u>	\$ <u>30,664</u>

### ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1 KROTZ SPRINGS, LOUISIANA BUDGETARY COMPARISON SCHEDULE DECEMBER 31, 2006

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				•
Taxes		*		
Ad valorem	\$470,000	\$470,000	<b>\$</b> 62 <b>6</b> ,400	\$156,400
Intergovernmental revenues				
State grants	-	-	1,800	1,800
State revenue sharing	11,000	11,000	10,772	(228)
Fire insurance tax	5,700	5,700	6,988	1,288
State supplemental pay	21,600	21,600	21,600	-
Pension subsidy	20,000	20,000	20,000	-
Interest earnings	8,700	8,700	17,177	8,477
Rental income	3,600	3,600	1,800	(1,800)
Dividend from LWCC	1,000	1,000	2,660	1,660
Gain on sale of equipment		_	<u>2,751</u>	2,751
Total revenues	541,600	541,600	711,948	170,348
EXPENDITURES  Output problem and the				
Current – public safety	5.55.000	257 200	260 500	(* #OD)
Salaries and benefits	367,800	367,800	369,598	(1,798)
Equipment costs	33,500	33,500	44,019	(10,519)
Occupancy costs	29,450	29,450	24,635	4,815
Insurances	73,900	73,900	25,875	48,025
Office and administration	55,200	55,200	28,054	27,146
Rescue runs, standby and volunteer	13,000	13,000	16,849	(3,849)
Policy project	-	-	2,500	(2,500)
Capital outlay	30,000	30,000	37,466	(7,466)
Debt service				
Principal	29,288	29,288	29,288	<del>-</del>
Interest	<u>2,912</u>	<u>2,912</u>	<u> 2,815</u>	<u> 97</u>
<u>Total expenditures</u>	<u>635,050</u>	<u>635,050</u>	<u>581,099</u>	<u>53,951</u>
EXCESS OF REVENUES	(0- 1-0)	(0.5 (.5.)		
OVER EXPENDITURES	(93,450)	(93,450)	130,849	224,299
Fund balance, beginning of year	<u>372,363</u>	<u>372,363</u>	<u>788,833</u>	416,470
Fund balance, end of year	\$ <u>278,913</u>	\$ <u>278,913</u>	\$ <u>919,682</u>	\$ <u>640,769</u>

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SHIRLEY VIGE, JR., C.P.A. FRANK G. TUJAGUE, C.P.A. DOMINIQUE M. NOEL, C.P.A. TELEPHONE: 337-457-9324 FAX: 337-457-8743

### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners St. Landry Parish Fire Protection District No. 1 Krotz Springs, Louisiana

We have audited the financial statements of the St. Landry Parish Fire Protection District No. 1 as of and for the year ended December 31, 2006, and have issued our report thereon dated September 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Landry Parish Fire Protection District No. 1's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Landry Parish Fire Protection District No. 1's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of St. Landry Parish Fire Protection District No. 1's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider items 2006-1 through 2006-4 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Landry Parish Fire Protection District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. These instances consist of items 2006-3, 2006-4 and 2006-5.

This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities, and others within the entity. It is not intended to be and should not be used by anyone other than these specified parties.

Vige, Tujague & Noël, CPA's

September 25, 2007

### ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1 KROTZ SPRINGS, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### YEAR ENDED DECEMBER 31, 2006

We have audited the financial statements of St. Landry Parish Fire Protection District No. 1 as of and for the year ended December 31, 2006 and have issued our report dated September 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2006 resulted in an unqualified opinion.

### Section I Summary of Auditors' Reports

A.	Report on Internal	Control and	Compliance	Material to	the Fi	inancial	Statements
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Internal Control

Material Weaknesses \_\_ Yes X No Significant Deficiencies X Yes \_\_ None reported

Compliance

Compliance Material to Financial Statements \_\_\_ Yes X No

No separate management letter was issued.

### Section II Financial Statement Findings

### 2006-1 Expenditure of Fire Chief

The Fire District paid the former Fire Chief \$3,155 in mileage reimbursements and \$3,003 in meal reimbursements in the calendar year 2006. No salary was paid to the Fire Chief.

The Board should consider whether they should pay a salary to the Fire Chief rather than only reimbursements and per diem.

The District will consider this recommendation.

### 2006-2 Fuel Expenditures

The District purchased fuel for Unit #9 twice on the same day, October 27, 2006. One purchase was for 29 gallons signed by the Fire Chief and one purchase was for 19 gallons signed by a fireman. It appears to be an unusual transaction to purchase fuel for the same fire truck on one day.

The Board should closely monitor fuel purchases for all the vehicles of the Fire District on a regular basis.

The District will comply with this recommendation.

### ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1 KROTZ SPRINGS, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2006

### 2006-3 Related Party Transactions

The District purchased fuel from the Krotz Springs Exxon during the year, which is owned by a family member of the Chairman of the Board, in the amount of \$3,289.

The District should not enter into transactions where a related party relationship exists.

The District will comply with this recommendation.

### 2006-4 Federal Reporting Forms

No 1099's were issued to firemen paid for standby time. IRS rules state that one who receives compensation in excess of \$600 should receive a 1099.

The District should consider issuing 1099's or W-2's to firemen receiving compensation.

The District will comply with this recommendation.

### 2006-5 <u>Late Audit Reporting</u>

The District did not file its annual audited financial statements within six months of its year end as required by the Louisiana Legislative Auditor.

The District should file its annual financial statements within six months of its year end with the Louisiana Legislative Auditor.

The District will comply with this recommendation.

### Section III Internal Control and Compliance Material to Federal Awards

There were no federal awards for the year ended December 31, 2006.

### ST. LANDRY PARISH FIRE PROTECTION DISTRICT NO. 1 KROTZ SPRINGS, LOUISIANA SCHEDULE OF PRIOR YEAR FINDINGS YEAR ENDED DECEMBER 31, 2006

- I Internal Control and Compliance Material to the Financial Statements

  None reported.
- II Internal Control and Compliance Material to Federal Awards
  The prior year's report did not include any federal awards.
- III Management LetterThe prior year's report did not include a management letter.